

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

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Assistant U.S. Attorney:
ANTHONY MOSCATO, Jr.
973-645-2752

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FOR IMMEDIATE RELEASE
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Former Local 825 Lead Engineer Admits
Taking Bribes from Contractors

(More)

Greg Reinert, PAO
Public Affairs Office

856-757-5233
973-645-2888

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NEWARK – A former lead engineer of Local 825 of the International Union of Operating Engineers pleaded guilty to taking bribes from two contractors at two construction projects, U.S. Attorney Christopher J. Christie announced.

George Horbach, 61, of Saddle Brook, pleaded guilty before U.S. District Judge Stanley R. Chesler to a two-count Information, which charges him with conspiracy to demand and receive unlawful labor payments on two occasions. Under federal law, it is unlawful for a representative of employees, such as a lead engineer, to demand or receive money or anything of value from an employer.

At his plea hearing, Horbach stated that he was lead engineer for Local 825 of the International Union of Operating Engineers at a construction project in Jersey City. As the lead engineer, Horbach admitted that he was responsible for representing the union's operating engineers working at the project.

Horbach told Judge Chesler that Blue Ridge Erectors, Inc., a steel erector company, was working at the Jersey City project and was subject to a collective bargaining agreement with Local 825. The collective bargaining agreement required Blue Ridge to employ and pay a Local 825 operating engineer to man the company's welding machines.

Horbach admitted that he demanded and received cash from Frank Impeciati, the owner of Blue Ridge, in exchange for permitting Blue Ridge to circumvent the requirement to man the welding machines with a Local 825 operating engineer. To facilitate the scheme, Horbach admitted that one of his family members was placed on Blue Ridge's payroll. Horbach acknowledged that this family member was a "no show" employee used as a conduit to make the unlawful cash payments to Horbach. Horbach also acknowledged that he gave portions of the cash to Craig Wask, Local 825's business agent at the project. In total, Horbach received approximately \$58,000 through this scheme.

Horbach also admitted that he received approximately \$9,000 from another contractor at a project near the Meadowlands in exchange for steering a contract to the contractor.

Also today, Judge Chesler sentenced Impeciati to five months of home confinement as part of a five-year probationary term and ordered him to pay a \$13,500 fine. On March 26, Impeciati pleaded guilty before Judge Chesler to a one-count Superseding Information, which charged him with conspiracy to make an unlawful labor payments.

Judge Chesler released Horbach on a \$100,000 bond pending sentencing, which is scheduled for Oct. 7. Horbach faces a statutory maximum prison sentence of 5 years and a \$250,000 fine on each count.

In determining an actual sentence, Judge Chesler will consult the advisory U.S. Sentencing Guidelines that provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, U.S. Department of Labor Office of Inspector General under the direction of Inspector General Gordon S. Heddell, and IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, and investigators from the Employee Benefits Security Administration, under the direction of Regional Director Jonathan Kay, with the investigation leading to the guilty plea and sentence.

This case is being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney Office's Strike Force unit, in Newark.

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Defense Attorneys:

Horbach - William Hunt, Esq. Hackensack

Impeciati - John C. Whipple, Esq. Chatham